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Report Highlights:

Although no GM products are currently approved for commercial purposes in Ukraine, some work is ongoing regarding biotech testing and approval systems. New draft legislation aims at establishing animal feed and drug testing procedures. Imports of all planting seeds in Ukraine must be tested for GMO presence. The GMO labeling rule for food products remains in place while generally negative public perception of biotechnology affects its marketing in the country.

Section I. Executive Summary:

The state of affairs for Genetically Engineered (GE) products in Ukraine has not changed much since last year's report. No GMOs were registered and approved for commercial purposes in the country. It is no secret that the technology exists in the country. According to an official statement by the Ukrainian Experimental Center for Food Product Testing (Ukrmetrteststandart), the estimated share of GMO containing products in Ukraine in 2011 is about five percent. This compares to almost 50 percent in 2007, due to policy changes and currently expanded monitoring. Agricultural industry experts believe that some producers in the country have been growing GE plants for a number of years.

Ukraine is expected to finalize its GE animal feed and drugs testing procedures, bringing it into compliance with its World Trade Organization (WTO) obligations. The latest notification from Ukraine to the WTO lists a draft law that establishes the application process, and specifies the basis for the testing and impact assessment methods and procedures.

The GOU continues developing the Genetically Modified Organisms (GMOs) testing and approval system. But the process has not been fully completed at the time of this report writing.

Section II. Plant Biotechnology Trade and Production:

Ukraine does not export or import GE products as none are officially registered and approved for commercial use or sale in the country. However, private sources estimate that a share of GE crops produced in Ukraine remains about 60 percent for soybeans and about 30 percent for corn. According to some Ukrainian industry experts the percentage of GE soybeans grown in Ukraine may start declining in the near future because a number of domestic non-GE varieties of soybeans that became available in the last 3-5 years are proving to be much more productive and have lower input costs compared to GE varieties.

In 2011, imports of products in Ukraine that may contain GM events increased by over 50 percent compared to the previous calendar year and totaled over \$60 million (see Table 1). Imports of such product categories like soybeans, soy sauce and corn gluten increased mostly due to some pick up in the country's economy. However, other corn product imports shown in the table below were on the decline in 2011 as Ukraine has been increasing its domestic corn production so corn processing is expected to be on the rise with domestic industry reaping the benefits of an abundant supply of cheap corn.

Table 1. Imports of Products to Ukraine that Could Be Affected by Ukraine's Biotech Regulation

HS Code	Product Description	2009		2010		2011		% Change 2011 / 2010
		Value \$ million	Share %	Value \$ million	Share %	Value \$ million	Share %	
110220	Maize (Corn) Flour	0.00	0.0	0.01	0.0	0.00	0.0	-89.8
110313	Maize (Corn) Meal and Groats	0.23	0.4	0.27	0.5	0.24	0.4	-13.4
110423	Processed Maize (Corn)	0.00	0.0	0.00	0.0	0.09	0.2	0.0
120100	Soya Beans	0.73	1.2	1.51	3.0	2.12	3.7	40.8
210310	Soya Sauce	1.26	2.1	2.30	4.5	2.89	5.0	25.5
210610	Protein Concentrates	7.14	11.7	7.02	13.8	6.42	11.1	-8.5
230310	Maize (Corn) Gluten	0.05	0.1	0.06	0.1	0.15	0.3	172.3
230400	Soya-Bean Meal	44.16	72.7	24.93	48.9	29.20	50.6	17.1
350400	Protein Isolates	7.21	11.9	14.86	29.2	16.60	28.8	11.7
Total		60.78	100.00	50.96	100.00	57.71	100.00	155.64

Source of Data: State Customs Committee of Ukraine

Table 2. Imports of U.S. Products to Ukraine that Could be Affected by Ukraine's Biotech Regulations, Millions U.S. Dollars

HS Code	Product Description	2007	2008	2009	2010	2011	% Change 2011 / 2010
120100	Soya Beans	0.07	0.18	0.00	0.17	0.23	137.3
210310	Soya Sauce	0.14	0.54	0.26	0.71	0.91	127.6
210610	Protein Concentrates	0.32	1.33	0.22	0.38	0.21	55.1
230400	Soya-Bean Meal	0.84	1.10	7.12	2.67	0.00	0.0
350400	Protein Isolates	1.47	0.64	0.07	0.19	0.07	37.4
Total		2.844	3.786	7.676	4.114	1.417	

Source of Data: State Customs Committee of Ukraine

Section III. Plant Biotechnology Policy:

The main legislation that governs biotech events in Ukraine is the [Law of Ukraine #1103-16 \(Ukr\)](#) "On the State System of Biosafety in Creating, Testing, Transporting and Using Genetically Modified Organisms," signed by the President of Ukraine and effective since June 21, 2007. This legislation was amended a number of times with the latest changes taking effect in February 2012.

The latest amendments added more details to the GMO monitoring process in Ukraine and mandated establishment of a reference lab (See FAS-Kyiv GAIN report [UP1209: Amendments to Biotechnology Laws](#)).

According to the current legislation, GMO release into the open marketplace and the ownership of GE products must be formally declared to the Government of Ukraine (GOU) authorities by the owner. The reference lab is selected by the Cabinet of Ministers of Ukraine.

In Ukraine, the following GOU entities remain responsible for registration, testing, monitoring and approval of the GMO products and products derived with the use of biotechnology:

- The Cabinet of Ministers of Ukraine
- The Ministry of Agrarian Policy and Food of Ukraine
- The Ministry of Education, Youth and Sports of Ukraine (formerly: The Ministry of Education and Sciences of Ukraine)
- The Ministry of Environment and Natural Resources of Ukraine
- The Ministry of Health of Ukraine
- The State Veterinary and Phytosanitary Service
- The State Inspection of Ukraine for Consumer Rights Protection (formerly: the State Committee of Ukraine for Technical Regulations and Consumer Policy)

GMO testing is being conducted by a number of certified GOU labs, some of which do not accept the results produced by peer testing labs. As in the case with planting seeds, importers sometimes have to test their products more than once to have it fully certified and approved for import into Ukraine.

Testing for GMO presence in the imported planting seeds has recently become much stricter. Starting in the fall of 2011, every shipment of planting seeds to be imported to Ukraine has to be tested for GMO presence. This has resulted in the additional costs to seed importers. Although, GMO testing of planting seeds is enforced by the State Customs Committee, the procedure itself is not completely clear and transparent.

For historic data and details on the GOU legislation that was developed and approved in Ukraine in the previous years, please refer to our report: [FAS-Kyiv 2010 Biotechnology Annual Report Ukraine](#).

GMOs in Animal Feed, Pending Legislation

No GMO containing feeds were officially approved in Ukraine over the last year. However, Monsanto's Roundup-Ready soybeans MON 40-3-2 remain on the list of temporarily approved sources of feed (MinAg Order #458, dated July 1, 2009).

In early June 2012, the State Veterinary and Phytosanitary Service published a draft Procedure for State Veterinary-Sanitary Expertise of GMO Sources of Feed, Feed Additives and Veterinary Drugs Containing Such Organisms, or Derived with their Use. The Procedure aims to formalize the testing procedure for GM feeds and drugs bringing Ukrainian legislation into compliance with its WTO obligations and Ukraine's international obligations under the Cartagena Protocol on Biosafety to the Convention on Biological Diversity.

This draft Law specifies application procedure and establishes the set of necessary documents. Furthermore, it specifies the analytical expertise that includes GMO testing methods, chemical equivalence to original form methods, and safety assessment to establish impact on subject animals, nature and humans in cases of proper and improper use of the GE feeds and drugs. Based on the results, the State Veterinary and Phytosanitary Service of Ukraine would publish official findings as to safety of the GM product and a recommendation for its

registration in Ukraine. If adopted, the document will become an important step towards establishment of the official GM feed and drug registration procedure, although further steps will need to be done to actually have this process fully implemented.

Food Labeling

Food product labeling legislation continues to require GM content indicated on food products that are sold to Ukrainian consumers. The Government of Ukraine defines GMO presence in a product according to the GOU [Resolution #661 \(Ukr\)](#). At present, any food product that contains more than 0.9 percent GMOs in a single package's total weight, such food product has to be labeled "Contains GMO." However, recent discussions in the GOU indicate that a change to this definition may be on the way. Some parties in the GOU may want to strengthen the GMO monitoring and eliminate any presence of GE products in Ukraine by eliminating the 0.9 percent threshold for testing.

Section IV. Plant Biotechnology Marketing Issues:

Ukraine continues to be a tough market for biotechnology promotion. The major factors that condition the situation are the generally negative public opinion and a bureaucracy along with gaps in GMO testing and approval system in the country. According to a recent informal survey of public opinion in Ukraine, we believe that Ukrainian consumers lack knowledge of biotechnology and its uses. Many people in Ukraine simply 'fear' anything GMO.

Marketing of plant biotechnology in Ukraine is still not feasible unless some GM products or products derived with biotechnology are approved for production or trade in the country. Some Ukrainian State institutions conduct research with GMOs in Ukraine but the products obtained as a result of these studies have not been released for public or commercial use and have not been declared safe for the environment.